

Approved For Release 2004/05/12 : CIA-RDP79T01049A000200040003-9



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2 June 1950

ITALIAN EXPORTS TO THE US

Italian exports to the US in 1948 were \$89.5 million. In 1949 they dropped to \$44.5 million (\$/L 625 lire). The excellent results of 1948 were in part due to abnormal factors, including non-recurrent exports, the building up of inventories by US firms, and the existence of a general sellers market.

Both the Italian government and ECA have evidenced considerable concern over this drop and its adverse effect upon Italy's dollar balance of payments position. The Italian government, with ECA assistance, has already despatched a special trade group to study American markets, to ascertain what Italian products ^{ARE} best adapt^{ed} to these markets, and to stimulate US demand for Italian products by improved advertising and sales techniques. Within Italy, ECA has explicitly directed its policy to improve the competitive position of dollar-earning (and also dollar-saving) industries.

The US government has formed a special mission, headed by former secretary of the Army, Gordon Gray, to study the over-all problem of Western European exports to the US. One unit of this mission will study the Italian problem.

These various efforts, aided by the mutual US-Italian reductions in tariffs achieved at Annecy which went into force 30 April 1950, may increase Italian exports to the US in 1950 to around \$60-65^{million}. It is doubtful that

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the 1948 levels will be reattained in the foreseeable future.

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